

IC 14-27-5

Chapter 5. Levee Associations; Federal Loans

IC 14-27-5-1

Applicability of chapter

Sec. 1. This chapter applies to the following:

- (1) A levee association incorporated before March 10, 1967, under Acts 1913, c.165, or a successor of the association.
- (2) An association existing before March 10, 1967, under IC 23-7-1 (repealed September 2, 1971) for the purpose of using a statute:
 - (A) concerning levees, ditches, and improvements relating to levees or ditches; and
 - (B) repealed by IC 19-3-2-106 (repealed April 1, 1980).
- (3) A levee association complying with IC 14-27-4.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-2

Application for loan

Sec. 2. The board of directors of an association described in section 1 of this chapter may apply to the federal Farmers Home Administration, the United States Department of Housing and Urban Development, or any other agency of the federal government authorized by federal law to make loans for works of improvement for a long term or short term loan to cover the association's expenses in connection with the construction of a levee or ditch and any other required or related improvements, including the following expenses:

- (1) General, legal, and administrative expenses.
- (2) The acquisition of land rights.
- (3) Costs of engineering.
- (4) Other costs of necessary construction and maintaining and operating the works of improvement authorized by applicable governmental authority.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-3

Evidence and security of loan

Sec. 3. A loan may be:

- (1) evidenced by one (1) installment note or by a series of notes; and
- (2) secured by the collection of a special assessment levied as provided in section 11 of this chapter.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-4

Terms of loan subject to agreement and federal law

Sec. 4. The following are subject to the agreement of the board of directors and the federal agency and applicable federal law:

- (1) The time repayment of a loan must begin.
- (2) The term within which the loan is repaid.

- (3) The amount of interest.
- (4) The time of making payments of interest.
- (5) The interval at which interest shall be paid.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-5

Petition for approval of loan

Sec. 5. Before making financial commitments described in this chapter with a federal agency, the board of directors must file a petition for approval of the proposed action in the circuit court of the county in which the most land affected by the construction or improvements lies. The petition must state the following for the proposed loan:

- (1) The purpose.
- (2) The amount.
- (3) The terms.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-6

Hearing on petition for approval of loan

Sec. 6. The court shall do the following:

- (1) Set a date for a hearing.
- (2) Allow at least twenty-one (21) days for an interested person to file objections.
- (3) Order notice for the hearing that the court considers necessary. However, publication must at least be made in each of the counties containing land within the affected area in accordance with IC 5-3-1. The notice must set forth in summary form the contents of the petition.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-7

Court approval of loan

Sec. 7. If at the hearing the court finds that:

- (1) the loan as proposed in the petition is necessary for the accomplishment of the purposes set forth in this chapter; and
- (2) the terms and conditions are reasonable and probably are as beneficial to accomplish the purposes as would be obtainable in private competitive financial markets;

the court shall approve the petition and authorize the board of directors to enter into the loan agreement.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-8

Levy of special assessment upon court approval

Sec. 8. Upon approval by the court, the board of directors may levy the special assessments necessary for the repayment of the loan.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-9

Purposes of loan

Sec. 9. The board of directors may secure part or all of the money necessary for the project under this chapter. The board of directors may make the loan for any of the board's needs to cover the expenses for which the loan is sought and maintaining and operating the works of improvement that have been authorized by applicable governmental authority. The loan may also be used to refinance a prior loan whose proceeds have been used for any of the purposes described in section 2 of this chapter.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-10**Offer of bond issue for sale to federal agency**

Sec. 10. If the board of directors:

- (1) decides not to enter into a loan agreement with a federal agency by installment note or series of notes; and
- (2) instead prepares a bond issue, in whole or in part;

the board of directors may offer the bond issue for sale to a federal agency without a public offering or the securing of competitive bids on the bond offering.

As added by P.L.1-1995, SEC.20.

IC 14-27-5-11**Repayment of loan by levy of special assessment**

Sec. 11. A loan made under this chapter or under IC 13-2-29-1 (before its repeal) shall be repaid by levy of the special assessment authorized on the real property within the proposed project. The assessment against the landowners must be in the proportion that the benefits assessed against each tract of real property bear to the total benefits assessed as shown by the report of the appraisers appointed by the board of commissioners of the county under Acts 1913, c. 165, s. 16. Statutes regulating:

- (1) the payment and collection of state and county taxes;
- (2) the placing of assessments on the tax rolls and the recording of the assessments;
- (3) the validity of the assessments;
- (4) the assessment of penalties and interest; and
- (5) the sale of property for delinquent taxes;

apply to the assessments.

As added by P.L.1-1995, SEC.20.